

UTAH DISTRICT NEWSLETTER

July 10, 2009

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Save the Date:

Women Owned Business Certification

July 22, 3:30-5 pm

Salt Lake Chamber, 175 East
400 South, Suite 600

Most Government Agencies,
Education Institutions and Prime
Contractors are requiring that
WBEs (Women Business Enter-
prises) be certified to qualify for
contracting opportunities. There
are a lot of questions surround-
ing the topic of getting certified
as a woman owned business in
Utah.

Contact-Heather (801) 328-5048

August 13, 5:30-8 pm

WBC—Women's Business
Forum- Women in Business
Summer Social - Memory Grove.
Contact-Heather (801) 328-5048

Helping small businesses
start, grow and succeed.



Your Small Business Resource

100 DAYS AFTER THE RECOVERY ACT

STAN NAKANO, DISTRICT DIRECTOR

It's been a little more than 100 days since the President signed the American Recovery and Reinvestment Act (Recovery Act). In that time the U.S. Small Business Administration (SBA) has implemented new programs to get credit flowing again and has several more on the way that will help small businesses weather this economic storm, and ultimately continue to grow and create jobs.

First and foremost, we enhanced our top two loan programs – 7(a) and 504 – which have so far resulted in \$4.3 billion in new loans for small businesses. The SBA temporarily eliminated fees for borrowers on its 7(a) loans and for both borrowers and lenders on its

504 loans. The SBA also temporarily raised the guarantee on most of its 7(a) loans to as much as 90 percent, up from 75-85 percent. In this short time, there has been a 30 percent increase in average weekly loan dollar volume compared to the weekly average before the passage of the Recovery Act.

In June, SBA launched the America's Recovery Capital – ARC – loan program. The ARC loans will provide a "bridge" for many small businesses to the better economic times ahead. This program provides loans of up to \$35,000 to viable, but struggling small businesses to help them make debt payments. ARC loans are interest free to the borrower, deferred

repayment loans, which are 100 percent guaranteed by the SBA. The SBA makes the interest payments to the bank.

With the launch of ARC loans, SBA has now put in place programs implementing 88 percent of the \$730 million provided to the agency by the Recovery Act.

America's small businesses are the key to our nations' economic recovery. The SBA is using every tool in our toolbox – and creating new ones when necessary – to help small businesses lead us out of these tough economic times.

EMPLOYEE SPOTLIGHT - JOHN GYGI

If you hear a soccer ball bouncing through the halls of SBA's Utah District Office, you know that the office's resident attorney advisor is letting off steam between 504 debenture closing reviews.

John Gygi has worked in the office's legal division since 1989. Despite having over twenty years with SBA, John is still referred to as the baby of the office, being one of the youngest employees in age and seniority. But his education and experience serve him well as he handles a portfolio of litigation cases, drafts and edits documents for the office, and provides legal advice for the 8(a) program.

Since 2002, John has also served as the office's project officer for the Small Business Development Center program, which he thoroughly enjoys as he travels to and works with the various centers around the state.

John obtained a bachelor's degree in finance, a masters of business administration, and a juris doctorate degree from the University of Utah. He is married to Tracy and has one daughter and three sons ages 19 to 11. An avid Ute fan, John's heart was broken when his daughter went to BYU. (She is still in the Will.) John has played soccer for 35 years, is a nationally licensed soccer



coach, and currently serves as Vice President of the Utah Youth Soccer Association. So the next time you visit the SBA office, beware of flying objects

SBA'S NEW PILOT LOAN PROGRAM FOR DEALER FLOOR PLAN FINANCING BEGINS JULY 1ST

WASHINGTON – Beginning July 1st, auto, RV and other dealerships can apply for SBA-guaranteed floor plan financing, which will make it easier for these small businesses to borrow against their inventory and increase their cash flow.

The new pilot program is one of the many tools SBA is making available to help increase access to capital and technical assistance to small business, and complements other steps already taken under the Recovery Act to help small businesses at this critical time.

"In recent months, we've seen a dramatic decrease in the availability of credit for financing dealership inventories," said SBA Administrator Karen G. Mills. "We want to be a partner for these small businesses and help ensure they have the resources they need to help keep their businesses open, save jobs and survive these tough economic times."

Floor plan financing is a revolving

line of credit that allows a dealership to obtain

financing through SBA's 7(a) program for inventory that can be titled, such as autos, RVs, manufactured homes, boats and trailers. As each piece of collateral is sold by the dealer, the loan advance against that piece of collateral is repaid. As the loan is repaid, the dealer can borrow against the line of credit to add new inventory.

The DFP pilot program will run through Sept. 30, 2010, after which SBA will determine whether to extend it further. DFP loans can be made by any lender already participating in SBA loan programs. Lenders who are not already participating in SBA lending, can become an approved SBA lender if they are interested in offering DFP loans.

Since the DFP pilot program is a new initiative that provides a guarantee for a specialized product, the agency is working with and training lenders who may be interested in offering this type of financing. SBA expects there will be a ramp-up period for these lenders.

DFP loans will be available for a minimum of \$500,000 up to the \$2 million allowable under the 7(a) program. With a maximum repayment term of five years, the loans will come with a 60-75 percent government guarantee, depending on the type of collateral and the lenders advance rate against the wholesale price of the inventory. Borrowers will also benefit from the temporary elimination of fees on 7(a) loans made possible by the American Recovery and Reinvestment Act of 2009.

Borrowers interested in obtaining a DFP loan should contact their lender or their nearest SBA field office to get a list of SBA-approved lenders in their area who may be participating in the program. Local district offices and contact information can be obtained at the SBA Web site at <http://www.sba.gov/localresources/index.html>.

Improving Energy Use and Efficiency for Small Businesses GOING GREEN CAN SAVE YOU GREEN

Nationally small businesses spend more than \$60 billion on energy each year. Small businesses that invest strategically can cut utility costs 10 to 30 percent without sacrificing service, quality, style or comfort – while making significant contributions to a cleaner environment.

Many projects will require little expense. However, for those that require capital, SBA loan-guaranty programs can ease the way to go green.

With a 50 percent SBA-backed guaranty, and an average loan of \$35,000 with its maximum loan size of \$350,000—SBAExpress is an excellent loan program to help small businesses adopt green practices. The SBAExpress program offers a streamlined application process making it easier to apply for these loans. And, all of SBA's 7(a) loan programs can

be used by small businesses to fund green improvements.

Small businesses can also take advantage of SBA's Certified Development Company (504) loan program to make significant capital improvements including extensive plant/office renovations to increase energy efficiency overall.

SBA Loans Finance Energy-Efficient Improvements:

- Energy-efficient appliances
- Alternative fuel for vehicles
- Replacing transportation fleet with hybrid vehicles
- Purchase of improved-mileage vehicles
- Increased efficiency, HVAC, heat pumps, geothermal energy
- Energy-efficient doors, windows, skylights
- Increased insulation
- Wind and solar power
- Energy-efficient power and light bulbs

Savings small businesses make from adopting energy improvements, also include federal energy tax savings for the tax year of 2008.

The Utah District Office has been actively promoting its role in the Recovery Plan marketing to:

- Lenders
- Chambers of commerce
- Salt Lake City
- Utah Supplier Development Council
- Vest Pocket
- Joined the Governor's Office of Economic Development and the Utah Procurement Technical Assistance Center for presentations in Washington County, Salt Lake and Weber County.

If you would like to learn more about the Recovery Act and how it can help your members, contact Steve Price, Deputy District Director, Utah District Office at 801-524-3215.

LENDER	February Loan Numbers	February Total Dollars	YTD Loan Numbers	YTD Dollars
AMERICA FIRST FCU	6	\$200,000	33	\$1,067,000
AMERICA WEST BANK	0	0	2	\$2,367,300
AMERICAN BANK OF COMMERCE D/B/A AMBANK	0	0	0	0
AMERICANWEST BANK	0	0	11	\$2,141,000
BANCO POPULAR NORTH AMERICA	0	0	8	\$2,795,100
BANK OF AMERICA, NATIONAL ASSOCIATION	0	0	0	0
BANK OF AMERICAN FORK	1	\$770,000	6	\$1,532,500
BANK OF THE WEST	0	0	1	\$335,000
BANK OF UTAH	2	\$1,077,900	7	\$1,655,900
BARNES BANKING COMPANY	0	0	1	\$500,000
BEACH BUSINESS BANK	0	0	1	\$975,000
BEEHIVE CU	3	\$65,000	14	\$478,000
BRIGHTON BANK	0	0	2	\$205,000
CACHE VALLEY BANK	0	0	0	0
CAPITAL COMMUNITY BANK	0	0	0	0
CAPITAL ONE BANK (USA), NATIONAL ASSOCIATION	0	0	0	0
CAPITAL ONE, NATIONAL ASSOCIATION	0	0	0	0
CELTIC BANK CORPORATION	2	\$1,165,000	29	\$11,141,600
CENTRAL BANK	0	0	3	\$265,100
CIT SMALL BUSINESS LENDING CORPORATION	0	0	0	0
COMERICA BANK	0	0	0	0
COMMUNITY WEST BANK	1	\$375,000	1	\$375,000
COMPASS BANK	0	0	2	\$1,122,000
CONTINENTAL BANK	0	0	0	0
CYPRUS FCU	3	\$160,000	8	\$340,000
DESERET FIRST FCU	3	\$257,800	19	\$775,700
FIRST COMMUNITY BANK	0	0	0	0
FIRST UTAH BANK	0	0	1	\$70,000
FRONTIER BANK, FSB	3	\$600,000	6	\$815,000
GOLDENWEST FCU	0	0	12	\$415,000
GRAND VALLEY BANK	1	\$115,100	1	\$115,100
GRANITE FCU	1	\$30,000	3	\$110,000
HERITAGEWEST FCU	3	\$75,000	14	\$595,000
HORIZON UTAH FCU D/B/A HORIZON CU	0	0	4	\$90,000
INNOVATIVE BANK	0	0	0	0
IRWIN UNION BANK AND TRUST COMPANY	0	0	0	0
JORDAN FCU	7	\$235,000	16	\$550,200
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	1	\$25,0000	2	\$72,200
KEYBANK NATIONAL ASSOCIATION	1	\$30,000	8	\$1,507,600
LEHMAN BROTHERS BANK, FSB	0	0	0	0
MOUNTAIN AMERICA FCU	43	\$1,267,200	258	\$10,460,100
MOUNTAIN WEST BANK	0	0	1	\$207,000
MOUNTAIN WEST SMALL BUSINESS FINANCE	10	\$5,038,000	46	\$19,607,000
NEVADA STATE BANK	1	\$1,272,000	1	\$1,272,000
PNC BANK, NATIONAL ASSOCIATION	0	0	0	0
PRIME ALLIANCE BANK	0	0	0	0
SAEHAN BANK	0	0	0	0
SOUTHWEST COMMUNITY FCU	1	\$25,000	2	\$35,000
STATE BANK OF SOUTHERN UTAH	0	0	4	\$545,700
SUNFIRST BANK	0	0	0	0
SUPERIOR FINANCIAL GROUP, LLC	0	0	3	\$37,500
TEMECULA VALLEY BANK	0	0	1	\$610,000
THE FIRST NATIONAL BANK OF LAYTON	0	0	3	\$643,000
THE HUNTINGTON NATIONAL BANK	0	0	2	\$522,000
THE VILLAGE BANK	0	0	0	0

LENDER	February Loan Numbers	February Total Dollars	YTD Loan Numbers	YTD Dollars
U.S. BANK NATIONAL ASSOCIATION	0	0	17	\$2,295,000
UNITED MIDWEST SAVINGS BANK	0	0	0	0
UNITED WESTERN BANK	0	0	0	0
UNIVERSITY OF UTAH FCU	1	\$100,000	2	\$500,000
UPS CAPITAL BUSINESS CREDIT	0	0	0	0
USU CHARTER FCU	0	0	0	0
UTAH CENTRAL CREDIT UNION	0	0	2	\$100,000
UTAH CERTIFIED DEVELOPMENT COMPANY	5	\$2,833,000	33	\$18,556,000
UTAH COMMUNITY FEDERAL CREDIT UNION	0	0	0	0
UTAH FIRST FCU	1	\$35,000	7	\$295,000
VECTRA BANK COLORADO, N.A.	0	0	1	\$75,000
WACHOVIA SBA LENDING, INC.	0	0	0	0
WASHINGTON MUTUAL BANK	0	0	0	0
WEBBANK	0	0	0	0
WELLS FARGO BANK, NATIONAL ASSOCIATION	2	\$643,700	21	\$6,090,500
ZIONS FIRST NATIONAL BANK	46	\$3,064,100	263	\$15,787,500
TOTALS	148	\$19,458,800	883	\$110,049,600

